Directorship 100

Making a list of the most influential individuals in any profession is never easy. Making a list of those who influence how boards operate is made even harder by the fact that so many groups hold sway over corporate governance: the directors themselves, shareholders and their advocates, regulators, board advisors, lawyers, and others. But the degree of difficulty has never stopped us from pursuing a worthy objective.

First, a word on our methodology. Starting at last year's *Directorship* 100 event, we began accepting nominations for the list. Then, last year's honorees were asked to nominate their peers for inclusion. A reader survey expanded the list of nominees to more than 400. From there, we sent out ballots to more than 100 individuals to vote in each category. An advisory panel of some 30 distinguished judges ranked the selections. Armed with these scores, our editorial team made the final cut.

In a nod to fierce objectivity, you will find some influentials on the list who occasionally make life less comfortable for board members. And this year, given the economic climate, we put more emphasis on those who influence the board's strategic and economic agenda, such as regulators, CEOs, and the directors themselves.

REGULATORS AND RULE MAKERS

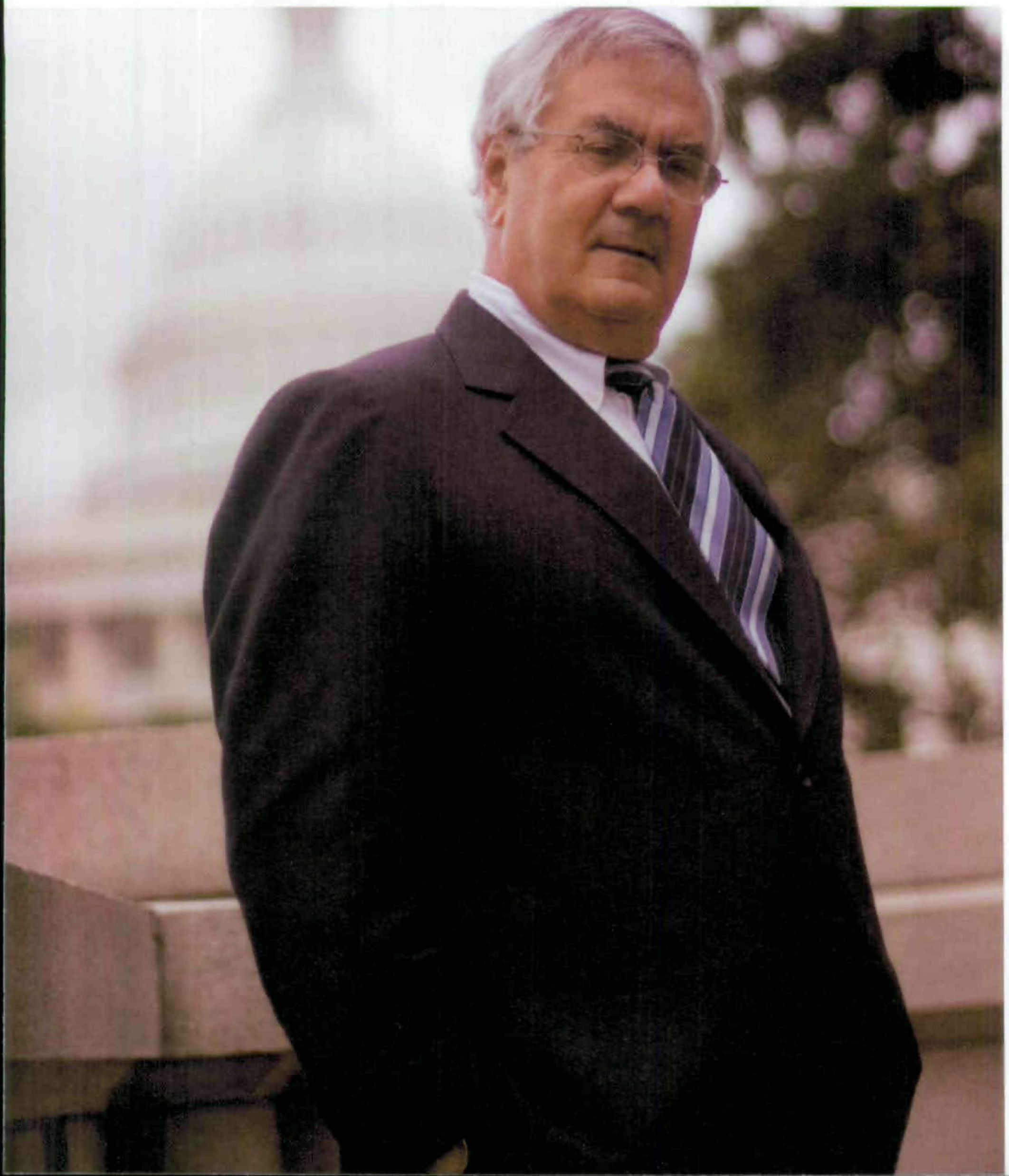
The Chairman

Barney Frank, U.S. Congressman

The fallout from the financial crisis at banks and financial services firms is likely to have repercussions well into next year and beyond. In addition to reforms already enacted, Congress is sure to continue to engage in a spirited debate over what regulations are needed to keep the credit crisis from happening again. At the center of the regulatory response sits Barney Frank.

Congressman Frank (D-Mass.) has served in the House of Representatives since 1981, but in the past couple of years he has become a national figure in the financial world. When Democrats took control of Congress in the 2006 mid-term elections, the Massachusetts representative found himself chairman of the House Committee on Financial Services, the most powerful financial regulatory body in the legislature.

One of Frank's first acts as chairman was to introduce "say on pay," which would give shareholders an advisory vote on executive pay plans. The measure passed in the House and is awaiting action in the Senate. But it is his role in responding to the credit debacle that may define his political career. With a new administration likely to bring a changing of the guard at the Securities and Exchange Commission and the Treasury, Frank will be the one constant as reforms move forward. With the Democrats expected to increase their majority in the House during the coming elections, Frank's influence on the financial services sector, and what is expected to be an increased regulatory environment, will only grow. Observers expect him to continue to be at the forefront on major reform legislation.



CHRIS HARTLOVE

Frank is well known on Capitol Hill for his eloquence and trademark wit. He once noted: "The [concept that] the rising tide lifts all boats has always been a problem. If you think about that analogy, the rising tide is a very good idea if you have a boat," he said in a recent interview. "But, if you are too poor to afford a boat, and you are standing tiptoe in the water, the rising tide goes up your nose." As a young man, Frank helped out at a truck stop his father owned off the New Jersey turnpike where his populist economic views may have been sharpened.

While his progressive stance can sometimes make him a polarizing figure, he is not the kind of politician who engages in stall tactics or attempts to hurl impediments at the other side of the aisle. "The Congressman is extremely goal oriented. He's all about getting the job done," says Steve Grossman, former chairman of the Democratic National Committee. While Frank has a reputation for looking out for the consumer, Grossman doesn't expect him to over-regulate. "He is for having a healthy banking system that is fair for everyone and doesn't put inordinate burdens on those he regulates," he says.

Directors have their fingers crossed that Grossman is right.

Ben Bernanke, Federal Reserve

Accused of getting a slow start on fixing the mortgage meltdown, Federal Reserve Chairman Ben Bernanke now gets high marks for his vigilance. The nation's chief monetary policy maker and former longtime Princeton economics professor has been referred to by some as being "too academic." Yet, together with Treasury Secretary Henry Paulson, he'll need all the smarts he can muster to restore investor confidence and stabilize the credit markets. The ability of this pair to right the ship will have an enormous effect on whether the conversation around boardroom tables next year is a jovial one about how to promote growth or a sober debate over how much longer to keep the current CEO in place.

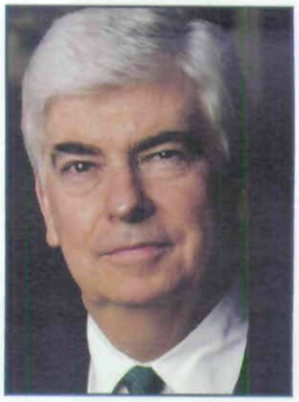
Andrew Cuomo, State of New York

As attorney general of New York, elected in 2006, Andrew Cuomo has picked up in the aggressive pursuit of white-collar crime where his now-disgraced predecessor, Eliot Spitzer, left off. With Wall Street an integral part of his jurisdiction, the subprime crisis is proving to offer plenty of fresh fodder. So far, the former Clinton administration official, who was elected when Spitzer pursued the governorship, has filed charges against UBS and Citigroup over auction-rate securities. He's not the only state law enforcer moving in on the SEC's turf: Massachusetts Secretary of State **William F. Galvin**, Connecticut AG **Richard Blumenthal**, and Florida AG **Bill McCollum**, among others, are all flexing their body politic.

The Delaware Courts: Myron T. Steele, William B. Chandler III, Leo E. Strine

A 20-year veteran of the Delaware courts and chief justice of the Delaware Supreme Court since 2004, Myron T. Steele's name jumps immediately to mind when thinking of the vastly influential decisions that have defined corporate law over the past decade, including the recent decision in the *CA Inc.* case. Steele has presided over dozens of corporate-law cases whose decisions have been felt throughout the nation. His counterpoint in the Delaware Court of Chancery, William B. Chandler III is recognized for the authority of his office and his scholarly wit, which have contributed to the respect and admiration he has earned as the Delaware chancellor. His decisions in the *Walt Disney* case and more recently in a case involving Yahoo shareholders, have a great impact on the role of the director. Vice Chancellor Leo E. Strine is known for his sharp pen and well-reasoned rulings, including a recent dispute between Clear Channel and a buyout firm, that he called "a rich bouillabaisse of exciting M&A facts" to dig into.

Christopher Dodd, U.S. Senate



Longtime Connecticut Senator Christopher Dodd, now chairman of the powerful Senate Banking Committee, co-authored the massive housing bill recently signed by President Bush. In his chairman's role, he also has a huge say on "say on pay." The bill has yet to make it out of Dodd's committee for a vote. Another member of the committee who has been nearly as influential is **Charles E. "Chuck" Schumer** (D-N.Y.), who chairs the Economic Policy Subcommittee. He has played a central role in the Senate's response to turmoil in the credit markets, though critics argue that Schumer's public airing of concerns over IndyMac Bank didn't do much good for the now-bankrupt lender or the banking sector.

Robert Greifeld, Nasdaq OMX

Robert Greifeld, CEO of the Nasdaq OMX, has steered the nation's largest electronic stock exchange through a series of ambitious growth initiatives and acquisitions since being named to the top spot in 2003. Nasdaq's influence over boards comes from its listing standards and some newer products, such as a recruiting service for companies and prospective directors. The president of Nasdaq OMX, **Magnus Böcker**, was formerly CEO of OMX, the Swedish Exchange that is now part of the Nasdaq OMX group.

Robert Herz, FASB

Reappointed last year to a second term as chairman of the Financial Accounting Standards Board (FASB), which sets accounting rules, Robert Herz saw his power enhanced when the board's oversight body voted to cut the number of members on FASB's board from seven to five. The keeper of Generally Accepted Accounting Principles (GAAP), Herz is also at the center of an effort to adopt a single international accounting standard (IFRS).

Duncan Niederauer, NYSE Euronext

Duncan Niederauer took over the top spot at the Big Board from John Thain. As head of the most prestigious exchange in the world, Niederauer is charged with keeping high standards in NYSE's listing requirements, which are overseen by **Catherine Kinney**. For exam-

REGULATORS AND RULE MAKERS

ple, the NYSE enacted a rule that requires listed companies to conduct board evaluations. Deputy Chairman **Marshall Carter** is charged with ensuring that the exchange operates with the same standards of corporate governance it expects from its listed companies.

Mark Olson, PCAOB

The chairman of the Public Company Accounting Oversight Board (PCAOB, often referred to as "peek-a-boo") is the auditors' watchdog. The very constitutionality of the PCAOB is being questioned in a lawsuit now before the U.S. Court of Appeals. That has not deterred Mark Olson from carrying out his duties as the top rule maker for the nation's accounting firms.

Henry M. Paulson, Jr., U.S. Treasury

It's ironic that the former chief executive of Goldman Sachs, one of the few financial firms to steer clear of the credit-crisis shoals, is now charged with cleaning up the mess that many of Goldman's industry colleagues have created. As secretary of the Treasury, Henry M. Paulson, Jr. has taken an assertive role in both combating the current mortgage crisis and addressing long-term goals of the U.S. economy. He has shown he's not afraid to ruffle a few feathers. As chairman of the President's Working Group on Financial Markets, he proposed vast changes to the regulatory blueprint that could remake such bodies as the SEC and the Federal Reserve. He's also not afraid to take bold measures to keep the crisis from escalating, such as the Treasury's involvement in the sale of Bear Stearns or shoring up mortgage lenders Fannie Mae and Freddie Mac.

Mary Shapiro, FINRA

The CEO of the Financial Industry Regulatory Authority (FINRA) and its non-executive chairman, **Richard Ketchum**, preside over nearly 5,000 brokerages and some 676,000 registered securities personnel. It's one of the few non-governmental regulatory agencies with chops. Its mission is to protect investors and market integrity

The Market's Top Cop

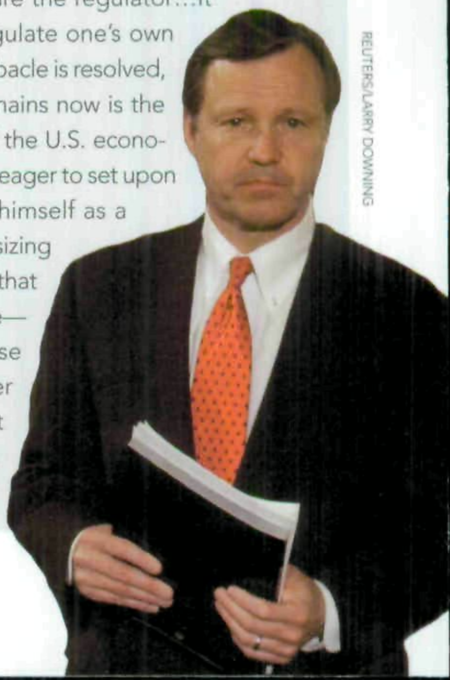
Christopher Cox
Securities and Exchange Commission

Christopher Cox, chairman of the Securities and Exchange Commission, has been described as cautious, well-read, and well-informed; he doesn't make choices, he makes decisions. A 17-year veteran of Congress (R-Calif.), Cox took command of the SEC in 2005 during a healthy economic climate. Three years later, as the poisons of the credit crisis work their way through the world economy, it is Cox's decision when and where to operate, and it is his professional discretion that has brought him to the spotlight—and to the attention of his critics.

Cox's supporters point to his level-headedness and comprehensive legal training—he holds degrees from Harvard in business and law—as among his greatest assets as SEC chairman. "You're not going to argue with Chris, because he knows more about [the issue] than you do," said Dick Armey, former House majority leader. But where Cox's defenders see him as "intellectual," his critics see him as "wonkish." An article in *The Wall Street Journal* described Cox's involvement in the Bear Stearns case as "peripheral," a barb directed as much at the SEC's relevance as a regulator as at Cox.

Though the SEC has been a prominent regulatory agency since 1934, critics have begun questioning its purpose. Most tellingly, the Treasury recently proposed that the SEC merge with the Commodity Futures Trading Commission. Cox referred to the proposal as more of a conversation piece than a serious threat to the authority of his agency. Says Alan Bromberg, professor of law at Southern Methodist University, "Cox has been effective within his authority at the SEC, but it's the organization itself that's losing ground. I expect the Fed to take a much stronger hand in enforcement in the near future."

But Cox isn't likely to acquiesce to his critics anytime soon. In response to the criticisms of the SEC's role in the Bear Stearns collapse, he insists that the SEC played an efficient part, without stepping over its boundaries: "We are the regulator…It would have been difficult to regulate one's own transaction." The Bear Stearns debacle is resolved, for better or for worse. What remains now is the stabilization and improvement of the U.S. economy—no small task, but one Cox is eager to set upon in his final months. He depicts himself as a champion of the investor, emphasizing in his opening speech to the SEC that "that's what we are all about here—ensuring that those who exercise power and control over 'Other People's Money' respect the trust that has been placed in them…and treat investors right."



REUTERS/LARRY DOWNING

and to resolve disputes between investors and registered firms.

Henry Waxman, U.S. House of Representatives

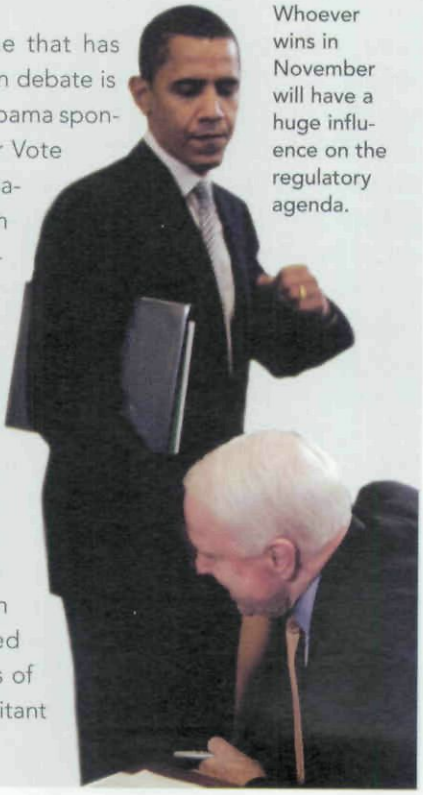
Recent studies have failed to find a correlation between excessive executive pay and the use of compensation consultants, but don't tell that to Congressman Henry A. Waxman (D-Calif.) As chairman of the House Oversight and Government Reform Committee, Waxman has grilled high-profile Wall Street executives on their severance pay and examined the role of comp consultants and may yet do more to address the issue. Comp committees take note: This is one politician who bears watching.

The Contenders

The presumptive major party candidates vying to become the 44th president of the United States so far have had little direct effect on what directors are thinking about in the boardroom except on those trying to strategize on what the forthcoming change in administration means for business.

Nonetheless, this election cycle coincides with an economic crisis and rising national and consumer debt. The next president will wield great influence not just in setting the regulatory tone over the next four years, but through critical appointments at the SEC, the Fed, the Treasury, and the Department of Justice.

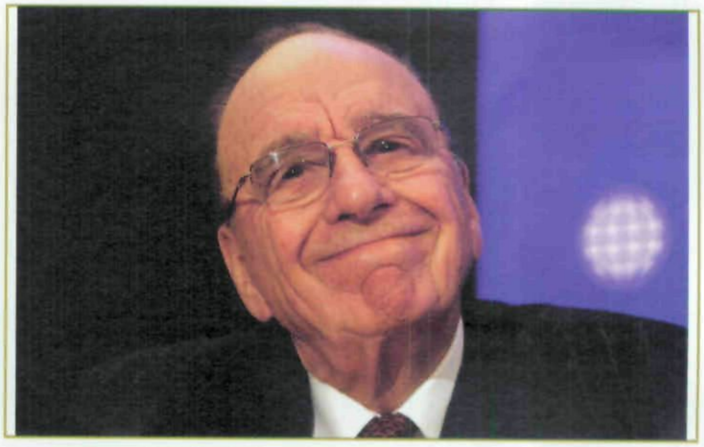
A major board issue that has crept into the campaign debate is "say on pay." Barack Obama sponsored the Shareholder Vote on Executive Compensation Act in 2007, which would give shareholders an advisory vote on pay at all companies. John McCain has been vague about his views on the subject. He hasn't gone so far as to publicly support Obama's shareholder vote proposal, though he has said he supports an advisory vote and railed against individual cases of what he views as exorbitant CEO pay.



Whoever wins in November will have a huge influence on the regulatory agenda.

PHOTOS OF RUPERT MURDOCH, BARACK OBAMA AND JOHN MCCAIN REUTERS/KEVIN LAMARQUE

The King of All Media



Rupert Murdoch, News Corp.

Whether it's politics, entertainment, sports, or business, it is hard to find any aspect of the media that Rupert Murdoch hasn't influenced. From high atop his empire as chairman and CEO of News Corp., Murdoch is constantly adding and refining his global offering of products with a focus on informing and entertaining—and, yes, influencing—audiences and readers the world over.

Fortune magazine recently named him the second most powerful person in business, behind only Steve Jobs. Still, some of our judges thought Murdoch an odd pick for the *Directorship* 100, since he is not exactly known for bowing to conventional corporate-governance wisdom in his own boardrooms. Other judges said his influence on the boardroom is undeniable. When he took control of Dow Jones with a $5 billion buyout, he successfully cracked a two-tiered board and broke the Bancrofts' hold on the company. (Less than six months after Murdoch's triumph at Dow Jones, two investors fought their way onto the board of The New York Times Co.) His mark on *The Wall Street Journal*, the most influential media property in business, (see Media, page 41) is already indelible. And, if a flurry of increased regulation kicks up in Washington, as most observers expect, directors might consider the staunch anti-regulatory Murdoch a nice ally to have.

Herbert M. Allison, Jr., Time Warner

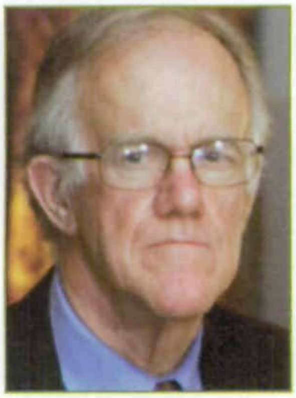
A prominent influence in the spheres of business, politics, and academia, Herbert M. Allison, Jr., was recently named to the board of Time Warner. He should have no problem keeping the investors' interests in mind. Allison served as chairman and CEO of Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). Before joining TIAA-CREF, Allison served as CEO for the Alliance for Lifelong Learning, an online joint venture between

DIRECTORS AND OFFICERS

Oxford, Stanford, and Yale universities. He began his career with Merrill Lynch in 1971 and left in 1999 to serve as national finance chairman for Senator John McCain's presidential campaign.

Norman R. Augustine, ConocoPhillips, Black & Decker
Norman R. Augustine, retired chairman and CEO of Lockheed Martin Corp., serves on the board of directors at ConocoPhillips and Black & Decker, and recently retired as the presiding director of Procter & Gamble. He serves on the board of directors of the National Association of Corporate Directors. An active world explorer, he was chosen as one of "50 Great Americans" by the Library of Congress.

John Biggs, Boeing
Apparently these days, TIAA-CREF is turning out top directors. In his decade as chairman and chief executive of the massive pension plan, John Biggs, who resigned in 2002, helped the retirement fund to create a bevy of new and improved programs, all while overseeing a period of continual growth and profit. Under Biggs' leadership, TIAA-CREF launched a series of annuity programs that expanded its services to help more and more individuals save for retirement. He watched over as the company expanded its total assets past the $200 billion mark, a figure that is now more than $400 billion. Today, Biggs sits on the board of Boeing, and also holds positions at the NYU School of Business and Washington University.



J. Michael Cook, Comcast and Eli Lilly
It's a shame that being "over boarded" has such a negative connotation because there are some directors—J. Michael Cook, for example—who surely have the capacity for more. The retired chairman and chief executive of Deloitte & Touche LLP is an auditors' auditor. His current audit committee chairmanships include Comcast and Eli Lilly, and he chairs the compensation committee for the International Flavors & Fragrances board. He has written, spoken, and testified on numerous issues including accounting standards, auditor independence, corporate governance, and tort reform.

Margaret "Peggy" Foran, Sara Lee
Recently appointed general counsel and corporate secretary at Sara Lee Corp., Margaret "Peggy" Foran will be responsible for the company's worldwide legal activities as well as leading its global business practices, risk management, internal audit, and insurance activities. Her focus will also include environmental, safety, and sustainability efforts. Foran previously served as associate general counsel and corporate secretary at Pfizer, where she blazed a trail for meetings with shareholders. Some other influential corporate secretaries include Anthony J. Horan of JPMorgan, Ann Mule of Sunoco, and Carol Ward of Kraft Foods.

Michele J. Hooper, Warner Music Group, AstraZeneca
The co-founder and managing partner of The Directors' Council specializes in director recruitment focused primarily on diversity candidates and board advisory services. Michele J. Hooper serves on the corporate boards of directors of PPG Industries, Warner Music Group, and AstraZeneca PLC, and chairs the audit committee for PPG. She is on the board of the National Association of Corporate Directors and is president of the NACD Chicago Chapter. She was a commissioner on the 2004 and the 2005 NACD Blue Ribbon Commissions on governance and a member of the OECD Advisory Panel on Boardroom Practices.

Ray R. Irani, Occidental Petroleum
As any high-paid CEO will tell you, earning the distinction of being among the highest paid puts a target squarely on your back. That is, of course, if you take the word of certain shareholders and pundits who blasted Occidental Petroleum's Ray Irani for his $460 million take-home pay in 2006, a figure based largely on stock options he exercised that year. Irani's defenders point to Occidental's impressive performance since he became CEO in 1990—the company's stock rose from $9 per share in 1990 to $48.60 by the end of 2006. It floats around $75 nowadays. His influence is to alert directors to constantly think about CEO performance and pay and to be prepared to defend it effectively.

Edward Kangas, EDS, Tenet
As former chairman and chief executive of Deloitte Touche Tohmatsu and a 33-year veteran of the company, Edward Kangas is a fixture of the corporate world and makes a well-earned return to the D100. Joining what was then Touche Ross in 1967 as a staff accountant, Kangas climbed through the ranks, landing the com-

pany's top job in 1989. In the years following his tenure with Deloitte, Kangas has been active on the board scene, serving as director with Electronic Data Systems, Eclipsys, and Tenet Healthcare, among others. He has also played a part in the political realm, using his corporate experience to inform the debate over campaign finance reform. His opinions have appeared in print in *The New York Times* and the *Los Angeles Times*.

Donald Keough, Coca-Cola, Berkshire Hathaway

The time everyone hears about Allen & Co., the boutique investment bank started in 1922 by the three Allen brothers and now chaired by former Coca-Cola Chief Executive Donald Keough, is for one week in July when the chic Sun Valley Conference it has hosted since 1983 draws together all the heavy hitters in media, entertainment, and technology. Keough is tops among that elite echelon of retired chiefs who make serving on boards their later life's work. Keough currently is non-executive chairman of Coca-Cola and serves on the boards of Berkshire Hathaway, Convera Corp., and IAC Interactive.

John A. Krol, Tyco International

Retired as chairman and CEO of DuPont, John A. Krol has been a director of Tyco International since 2002 and served as lead director from 2002 until earlier this year. Krol joined DuPont as a chemist in 1963 and climbed up the corporate ladder until he was appointed chairman and CEO in 1997. Krol also serves on the boards of Ace Limited, MeadWestvaco, and Milliken & Co. Krol played an integral role in salvaging Tyco's image after corporate scandal. Krol cleaned house and appointed an entire new board of directors, letting go 290 of the firm's 300 top executives.

Blythe J. McGarvie, Accenture, Viacom

Attention to detail and keen observation are qualities Blythe J. McGarvie urges leaders to develop in her book, *Fit In, Stand Out*. McGarvie, foun-der and president of the consulting practice, Leadership for International Financial, provides global perspectives to clients. An advocate for leadership with integrity, she serves on the boards of the The Pepsi Bottling Group, Accenture, The Travelers Companies, Viacom, and Wawa, a Philadelphia-based retailer.

W. James McNerney, Jr., Boeing

The chairman and CEO of Boeing had his work cut out for him restoring the reputation of the aircraft manufacturer in the eyes of one of its foremost customers—the U.S. government—following a three-year investigation that resulted in broken trust and a $615 million settlement. Even Senator John McCain, at one time Boeing's harshest critic, praised the then new leadership of W. James McNerney, Jr. This summer he shared a stage with Sheikh Ahmed bin Saeed Al Maktoum to announce the $3.8-billion purchase of 54 Boeing jets to start a new low-cost airline

Head of the Class

Lloyd C. Blankfein, Goldman Sachs
James L. Dimon, JPMorgan Chase

The credit crisis has reinforced the reputation of Goldman Sachs as being in a class by itself. Its performance under the commanding leadership of Chief Executive Lloyd Blankfein throughout the market upheaval has been rivaled only by the rock-solid stewardship of James Dimon, chairman and CEO of JPMorgan Chase. Of all the Wall Street firms, they now have at least two things in common: They're not in over their heads on subprime mortgages or mortgage-backed securities, and they've earned the trust and admiration of customers and investors. Goldman's performance only adds to its near-mythic stature. Dimon, a former outcast at rival Citigroup, gets the last laugh on that relationship, as he secures the reputation of JPMorgan. A voracious risk appetite propelled Goldman Sachs earnings in the good times, but only when the credit crisis hit did investors find out how good the firm truly is at risk management. One of the great talking points in years to come will be how timely Goldman moved away from those complex securities vehicles that unwound so many of its rivals. With the competition hurting, these companies are in position to dominate. But as Wall Street traders are fond of saying, "Up today; down tomorrow."

PHOTOS OF DIMON, MIKE APPLETON/ BLOOMBERG NEWS; /LANDOV; BLANKFEIN, REUTERS/SHANNON STAPLETON called FlyDubai. Still, with fuel costs and union threats rising, Boeing's issues continue to challenge.

Anne Mulcahy, Xerox

The story of Anne Mulcahy's success at Xerox has been told many times over the past few years: On the day she took charge, the company's stock fell 15 percent. Nonetheless, she managed to turn business around. Xerox posted $1.1 billion in net income in 2007. Her expertise is in high demand: She also sits on the boards of Citigroup, Target, and The Washington Post Co.

James Owens, Caterpillar

It pays to have a global perspective, and there is no better proof of that than the chairman and chief executive of Caterpillar. James Owens, who also serves as a director for Alcoa and IBM, has a bird's-eye view of the global outlook in three distinctly different sectors: heavy equipment, aluminum and mining, and technology. Shares in Caterpillar have surged recently thanks to high demand in some emerging global markets for heavy equipment. If you are looking for examples of how to succeed in foreign markets, follow Owens.

Harry Pearce, Nortel Networks

Google "Harry Pearce" and you will find that he is the fictional head of counterterrorism in a British television series. The real Harry Pearce plays a far more influential role as the non-executive chair of Nortel Networks and a director of Marriott International. Pearce, the former chairman of Hughes Electronics, a GM division sold in 2003, is also the founding chair of the Chairmen's Forum, a peer organization of independent chairmen of North American boards started in conjunction with the Yale School of Management's Millstein Center.

John Thain, Merrill Lynch

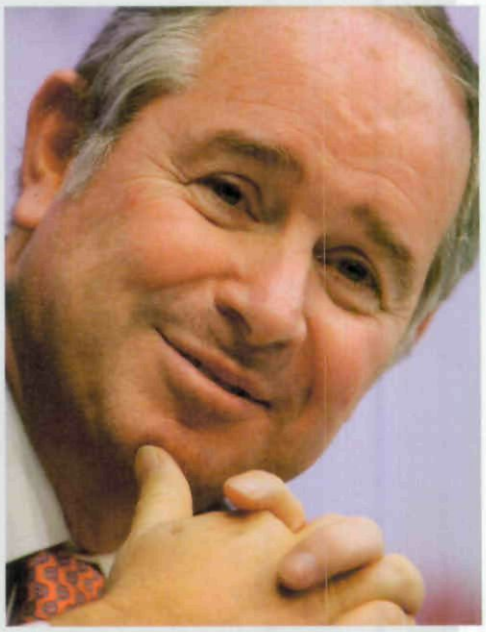
John Thain likes a challenge. Good thing, because he certainly has had one since he took over the helm at Merrill Lynch. Thain swapped one high-profile chief executive seat for another late last year when he left the New York Stock Exchange to take over at the embattled investment giant. Thain still has much work to do before we can say that he has succeeded in righting the ship; Merrill Lynch continues to hemorrhage money, posting losses of $19.2 billion in the last year, and its stock price hovers at around a third of its value one year ago. Though the challenges may have changed, they will require the same kind of intelligent dedication he showed at the NYSE. Prior to his tenure there, Thain was president and COO of Goldman Sachs. He is a member of the Trilateral Commission and the Business Roundtable.

The Titans of Private Equity

Stephen A. Schwarzman, The Blackstone Group

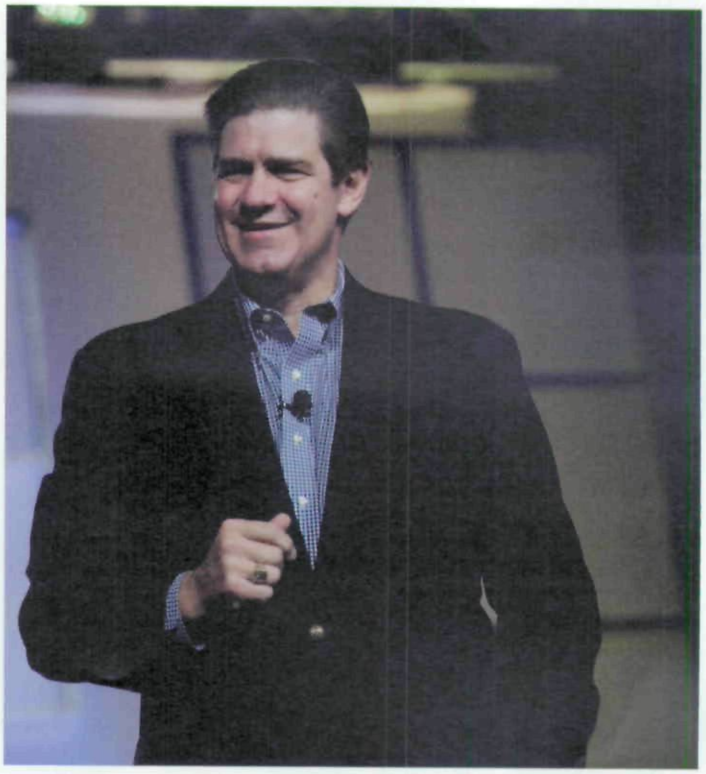
Over the past few years, directors of nearly every company but the largest few have at least entertained the idea of taking their companies private. They have private-equity titans like The Blackstone Group's Stephen A. Schwarzman to thank for putting the idea in their heads. The irony is that after luring scores of companies out of the harsh light of the public markets, Schwarzman did what few other private-equity firms dared do—he took his company public.

As chairman, CEO, and co-founder of Blackstone and chairman of the board of its general partner, Blackstone Group Management, Schwarzman exerts direct influence on almost 50 companies the firm manages. But it is leadership by example where Schwarzman and his brethren, private-equity titans such as KKR's Henry Kravis, Carlyle's David Rubenstein, and Apollo's Leon Black, exert their influence. In some ways, private-equity firms have forged a model that many public companies seek to follow. It is common for directors to wonder if their companies can copy private-equity executive pay plans or manage their portfolio of businesses in the same way. Many private-equity CEOs are also outspoken when they think regulators overstep their bounds. Recently, Schwarzman made waves for arguing that fair-value accounting was partly to blame for the problems in financial firms.



REUTERS/TOBY MELVILLE

An Army of One



James S. Turley, Ernst & Young

With the completion in July of the integration into a single entity of 87 operations in Europe, the Middle East, India, and Africa, James S. Turley, the chairman and CEO of Ernst & Young, has achieved one massive goal: He convinced managers to cede local control for the benefit of the greater good. E&Y is now a single global enterprise split into five geographic areas. Primarily for regulatory and legal reasons, the international accounting firms have limited their regulatory and legal exposure by setting up networks of locally controlled entities. While Turley has admitted that many partners found it emotionally difficult to give up their long-held national control, they accepted the business rationale. Should it prove popular with clients, the *Financial Times* declared that E&Y has thrown down a challenge to rivals. Among Turley's strongest deputies in the worldwide accounting arena is global vice-chairman **Beth A. Brooke**.

Sharon Allen, Deloitte & Touche

It's typical for accountants to remain loyal to one firm for their entire careers, and Sharon Allen, chairman of Deloitte & Touche LLP, is no exception. In the 30 years since she joined the firm, Allen has progressed to chairman of the board, the top role she was re-elected to last year. She is assisted by the well-traveled deputy CEO **Robert Kueppers** and **Stephen Wagner**, managing partner of Deloitte's Center for Corporate Governance. Kueppers is chairman of the executive committee of the AICPA's Center for Public Company Audit Firms, president of the SEC Historical Society in Washington, D.C., and a member of the PCAOB's Standing Advisory Group.

Samuel A. DiPiazza, Jr., PricewaterhouseCoopers

The global CEO of PricewaterhouseCoopers celebrated the 10th anniversary of the merger of Price Waterhouse and Coopers & Lybrand by committing to raise money and resources to educate refugee children from war-stricken Darfur. While the initiative, announced by Samuel A. DiPiazza, Jr., garners headlines, in corporate governance circles **Catherine L. Bromilow**, lead partner of PwC's corporate governance group, steals the show. Bromilow returns to the *Directorship* 100 for a second year and as one of this year's top vote-getters in the Auditor category. For the last five years, she has co-hosted the PwC-University of Delaware Directors' College.

Timothy P. Flynn, KPMG International

Chairman of KPMG International and chairman and CEO of KPMG LLP, Timothy P. Flynn, is leading the global accounting network through a period of transition and transformation. As the global head of audit at KPMG International, **Henry Keizer** has a view into the vortex the latest economic crisis is creating for client companies. Also influential is KPMG's Audit Committee Institute, which works with members and directors to enhance oversight committee practices. The new executive director, after the retirement of Ed Smith, is **Mary Pat McCarthy**. She previously served as KPMG's U.S. vice chair and global chair of information, communication, and entertainment businesses. One of last year's *Directorship* 100 honorees said, "Mary has extensive experience and has been in boardrooms with big-name companies for nearly her entire career."

Cynthia M. Fornelli, Center for Audit Quality

Meet Cynthia Fornelli, executive director of the Center for Audit Quality, who at this time last year was planning a forum to mark the fifth anniversary of the passage of the Sarbanes-Oxley Act of 2002. CAQ was started by the American Institute of Certified Public Accountants in the aftermath of the accounting scandals at companies such as Enron and WorldCom, to restore credibility to the profession and to promote "integrity, objectivity, honesty, and trust" among auditors.

HALL OF FAME

Halls of fame are created for those who leave indelible marks on their professions. Considering our plan to identify the most influential people on the boardroom agenda each year, it stands to reason that there are a select number of exemplary individuals who have so uniquely contributed to the shape of modern corporate governance that they deserve special recognition. Thus, we inaugurate the *Directorship* Hall of Fame by recognizing the contributions of the following legendary leaders of business.

John C. Bogle

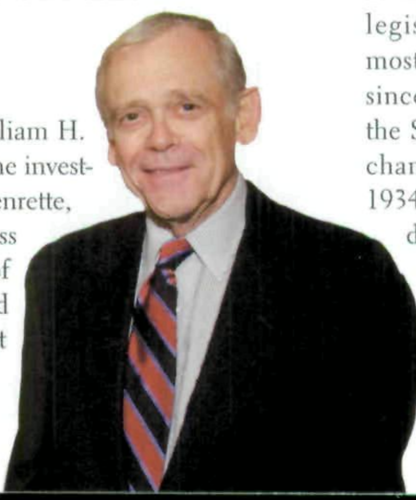
The father of index funds and founder of the Vanguard Group, John C. Bogle created a new way for millions of ordinary people to invest in stocks and thus, new sources of capital that helped fuel Wall Street's longest bull market. Inadvertently, index funds also gave rise to shareholder activism, since some large institutions felt they could no longer show their dissatisfaction by simply selling their shares.

Arthur Levitt

The 25th and longest-serving chairman of the Securities and Exchange Commission (1993-2001), Arthur Levitt exercised his role as the capital markets' top regulator with a powerful grace, popular among investors for his emphasis on transparency and shareholders' rights. His oft-cited speech, "The Numbers Game," demonstrated his frustration with earnings report reliability in which "too many corporate managers, auditors, and analysts are participants in a game of nods and winks." In his post-SEC career, Levitt was asked by Treasury Secretary Henry M. Paulson, Jr., to co-chair a panel on the soundness of the audit profession.

William H. Donaldson

Among his career highlights, William H. Donaldson was the co-founder of the investment bank Donaldson, Lufkin & Jenrette, one-time dean of the Yale Business School, and the 27th chairman of the SEC. Donaldson once described his 36-month tenure as "the most consequential and productive period" since the Commission was created in the post-Depression 1930s. It was on his watch that the Sarbanes-Oxley Act was passed and the SEC began to execute and monitor SOX's implementation and compliance.



Ira Millstein

A juggernaut in corporate governance, the senior partner at the international law firm Weil, Gotshal & Manges is the top lawyer in the field. At 82, Ira Millstein has counseled more than 50 corporate boards. Rather than slow down, Millstein focuses his considerable attention on capital markets in his role as senior associate dean for corporate governance at the Yale School of Management. Yale also named its corporate-governance center after him. "Trying to discern what impacts capital markets fascinates me," he says.

Robert A. G. Monks

Scholars tracing the origins of the American shareholder movement would do well to start with Robert A. G. Monks. The cofounder of Institutional Shareholder Services (now part of the powerful RiskMetrics Group), The Corporate Library, the LENS Fund, and Governance for Owners is the ultimate shareholder activist, inventing new methods to measure, rate, and monetize corporate accountability for the good of investors. Some board members may see him as a polarizing figure—his latest book is titled *Corpocracy*—but his influence on the role of directors is undeniable.

Paul Sarbanes and Michael Oxley

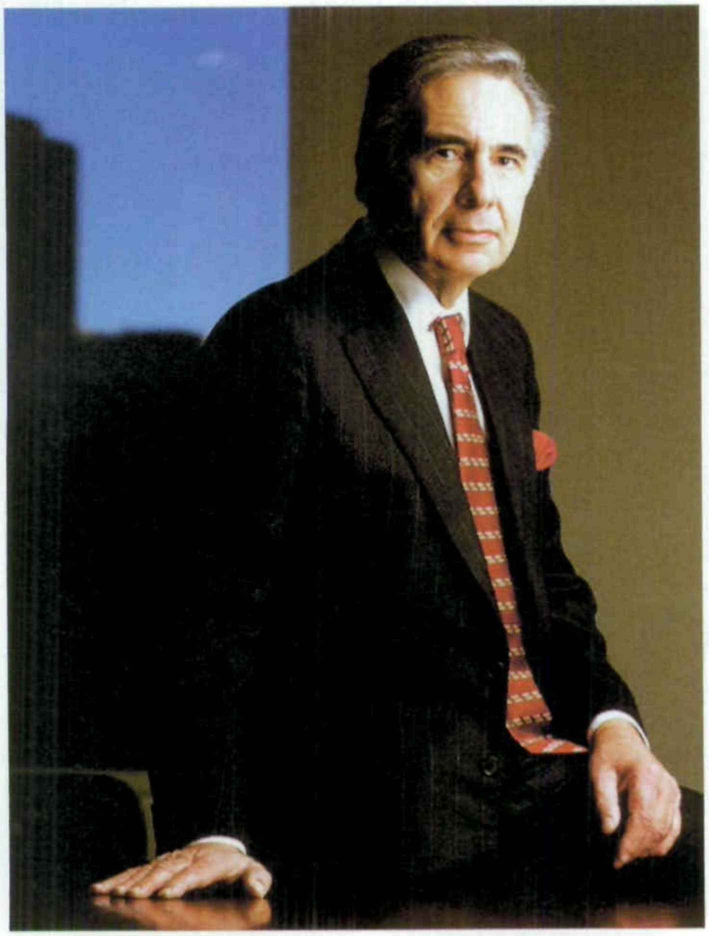
Paul Sarbanes, the "studious liberal" who became Maryland's longest-serving senator, and Michael Oxley (pictured), the Republican senator from Ohio, will be inextricably linked in history as the cosponsors of the Sarbanes-Oxley Act of 2002. The reform legislation—the most sweeping since passage of the Securities Exchange Act of 1934—was intended to improve the accuracy and reliability of financial disclosures and restore investor confidence. Oxley is now vice chairman of Nasdaq OMX, while Sarbanes retired in 2007 after a 30-year career in Congress.

THE INVESTORS

The Uber-Activist

Carl Icahn, Icahn Investments

No other activist investor has come close in recent months to commanding the attention that Icahn has gotten in boardrooms, from Biogen, to Motorola, to Yahoo. The man who described himself in a *60 Minutes* interview as a one-time "kid from Queens with no money" is now, at 72, no longer a kid and, with an estimated net worth of $14 billion, a world away from penniless. Over his investment career, his *modus operandi* has remained largely the same, even if his methods have evolved to include a blog. Icahn targets companies identified as underperforming by his investment firm's researchers and analysts; amasses enough shares to give him clout; and then stirs up other shareholders, including big institutional investors, to force change. Depending on your point of view, Icahn is either a powerful change agent or an opportunistic agitator. "I don't have to watch *Saturday Night Live* anymore," he told Drexel students during commencement. "I just sit in board meetings."



Richard Breeden, Breeden Partners

Richard Breeden has been a pillar in the corporate-governance world since he took over as chairman of the Securities and Exchange Commission in 1989. During his four years as SEC chairman, Breeden was responsible for a significant overhaul of the proxy-voting process. He has recently had his hand in hedge fund activism; his work at Breeden Partners fund was successful in negotiating the sale of Applebee's to IHOP late last year. He later took over as chairman of H&R Block following a proxy battle. If you have poor corporate governance and hidden equity value, keep your eye on those Schedule 13D forms for Breeden's name.

Warren Buffett, Berkshire Hathaway

What more can be said about the Oracle of Omaha? Ever since his investment in a used pinball machine when he was 15, Warren Buffett has had fantastic success in securities trading. This year, *Forbes* magazine recognized him as the richest person in the world, with a net worth totaling $62 billion. As CEO of Berkshire Hathaway, he has made money not only for himself but also for legions of Berkshire investors (and loyal followers). With the ultimate reputation as a straight shooter and an advocate of strong corporate governance, Buffett shows that good guys can finish first.

Peter C. Clapman, Governance for Owners

TIAA-CREF alum Peter C. Clapman represents Governance for Owners (GO) here in the United States. The much-admired chief investment lawyer at TIAA-CREF, whose leadership in corporate governance is perhaps matched by GO founder Peter Butler, continues to project a strong voice for investor causes. Under Clapman, TIAA-CREF's corporate governance program was hailed by *BusinessWeek* as the most influential program of its kind in the world.

Amy Domini, Domini Social Investments

Domini Social Investments, one of the most progressive activist fund groups, filed 20 shareholder proxies in the 2007 season and was recognized for proxy leadership by RiskMetrics Group. "We believe that proxy voting is a powerful and underused tool for corporate accountability," said **Adam Kanzer**, Domini's managing director and head of

PHOTO OF RUPERT MURDOCH AP PHOTO/HO

shareholder activism. CEO Amy Domini started the fund and since has raised awareness of socially responsible investing.

Richard Ferlauto, AFSCME

The high-profile, oft-quoted director of corporate governance and pension investment at the 1.5-million member American Federation of State, County, and Municipal Employees (AFSCME), Richard Ferlauto is a leading proponent for increasing shareholder access to proxies. Even though a Delaware court recently ruled against AFSCME in its bid for proxy reimbursement from CA Inc., Ferlauto isn't done fighting for proxy access. He's been highly critical of the mutual fund industry's proxy voting record and its perceived allegiance to management.

Scott Goebel, Fidelity

Beginning this month, students at Harvard and Boston University can learn about corporate governance law and mutual funds from Eric Roiter. From 1997 until his retirement in June, Roiter was general counsel and corporate governance director at Fidelity Management & Research, the advisory arm of the world's largest mutual fund company. Roiter is succeeded by Scott Goebel, who led the institutional division of Fidelity's legal team. Prior to that, Goebel was deputy general counsel for FMR.

John A. Hill, Putnam

This native Texan is the quintessential money manager. The founder and vice-chairman of First Reserve Corp., a private-equity buyout firm in the energy industry, John A. Hill was elected chairman of the board of trustees of the Putnam Mutual Funds in 2000. He also serves as a director of Devon Energy Corp. As chairman of The Conference of Fund Leaders, he works to promote independence on boards of investment companies.

Christopher Hohn, The Children's Investment Fund

The Children's Investment Fund (TCI) now stands as one of the U.K.'s biggest charities and most aggressive activist shareholders, just five years after it was founded by Christopher Hohn. It secured its reputation for leading boardroom revolts after its successful bid to change management at the publicly traded German stock exchange, the Deutsche Börse. More recently, TCI waged a high-stakes battle for management change at CSX and won.

Ken Marzion, CalPERS

The California Public Employees' Retirement System (CalPERS), which ranked first on last year's *Directorship* 100, is recovering from a shakeup at the top. The challenge for CalPERS acting Chief Executive Ken Marzion is to rebuild the C-suite by finding successors to former CEO **Fred Buenrostro**, Chief Investment Officer **Russell Read**, and **Dennis Johnson**, the director of corporate governance. Don't think for a second, though, that CalPERS isn't still the big kahuna among pension funds. Its clout comes both from the size of its fund—at $250 billion it reigns as the largest public fund in the United States—and its mission to invest with a governance focus.

Bill Miller, Legg Mason

It was investment wizard Bill Miller who insiders say dashed investor Carl Icahn's chances of winning a Yahoo proxy war. Icahn had proposed an alternative slate of board members, as part of a bid to get Yahoo to agree to some sort of deal with Microsoft. When Miller, the chairman of Legg Mason Capital Management, which controls slightly more than 4 percent of the Internet portal's shares, sided with other institutional investors and supported Yahoo CEO Jerry Yang and the existing board, Icahn's jig was up.

William Patterson, CtW Investment Group

As subprime mortgage losses piled up, Change to Win (CtW) Investment Group Executive Director William Patterson set his organization's sights on the management and directors at the six banks who, according to CtW, "have destroyed over $254 billion in shareholder value, due to a failure to manage mortgage risk." Already, both Wachovia and Washington Mutual have acceded to shareholders and named independent chairmen. CtW works with a consortium of union-sponsored pension funds that manage combined assets of $1.5 trillion (a number that rivals the size of Fidelity's mutual funds).

Damon Silvers, AFL-CIO

The associate general counsel for the AFL-CIO—like his counterparts Rich Ferlauto at AFSCME and **Ed Durkin** at the United Brotherhood of Carpenters—is another potent voice for labor and shareholders. In addition to union representation, Damon Silvers is a member of the Public Company Accounting Oversight Board's standing advisory group and the Financial Accounting Standards Board's user advisory council.

Ralph Whitworth, Relational Investors

Ralph Whitworth, the former protégé of T. Boone Pickens and Ronald Reagan, built large stakes and brought changes to Home Depot and Sprint Nextel, among others. Whitworth and David Batchelder founded Relational in 1996 with a $200-million injection from CalPERS. The firm has outperformed the Standard & Poor's 500 index during the past decade, despite some ups and downs.

John Wilcox, TIAA-CREF

Overseeing the the corporate governance program at TIAA-CREF puts John Wilcox in the powerful position of monitoring the governance practices at companies in which TIAA-CREF invests. He also ensures that TIAA-CREF's own governance practices are up to the standards the company—which represents 3.5 million workers and manages more than $435 billion in combined assets—advocates for its portfolio companies. When appointed to head up governance in 2005, Wilcox succeeded Peter Clapman, also on this year's D100. Nearly as active as CalPERS, the organization recently celebrated it's 90th anniversary.

THE MEDIA

Roger Ailes, Fox News

The chairman and CEO of Fox News Channel, and chairman of Fox Television Stations and Twentieth Television—all of them subsidiaries of Rupert Murdoch's powerful News Corp.—former political operative Roger Ailes is credited with bringing balance to the left-leaning media by creating a cable network devoted to news, politics, and business with a conservative slant. Fox News leads the cable news market, and its anchors host shows that are consistently among the top 10 in cable viewership, making it a more potent network alternative. Fox Business News is just getting off the ground, but when it does, look for it to bring the same hard-hitting approach to business coverage that its parent brings to news.

Maria Bartiromo, CNBC

The all-business Maria Bartiromo ends the day with her daily CNBC program *Closing Bell*. For shear exposure, no one quite measures up to the ubiquitous Bartiromo. Her reach is extended by numerous public appearances and other regular reporting gigs. In addition to *Closing Bell*, she produces and hosts the nationally syndicated Wall Street Journal Report and writes a front-of-the book Q&A column for *BusinessWeek*. More often than not we are also tuned into the morning show *Squawk Box*, with CNBC's **Joe Kernen**, **Becky Quick**, and **Carl Quintanilla**.

Jim Cramer, TheStreet.com

The co-founder and director of TheStreet.com is better known for his madcap *Mad Money* on

The Business Paper of Record

Alan Murray and Joann Lublin, The Wall Street Journal

Now that Murdoch owns *The Wall Street Journal*, in addition to the *New York Post and The Times of London*, some change at the *Journal* is to be expected. Fortunately Alan Murray and Joann Lublin are still doing what they do best: covering boards and corporate governance with authority. With or without Murdoch, no other media outlet comes close to covering U.S. business like the *Journal* and no other reporter covers management like Lublin, who has been writing for the *Journal* since 1971. Murray, now executive editor of the *Journal* Online, is well positioned as more readers go online for news. A special mention is due to *Journal* reporter **Kate Kelly**, whose riveting series on the fall of Bear Stearns was the kind of enterprising long-form journalism that makes newspapers great.

THE MEDIA

CNBC. Why should directors care what Jim Cramer has to say? Well, for one, his daily stock-picking rants have been known to move the market. Yet for our money, Cramer's fiery diatribe about Fed Chief Ben Bernanke being "asleep" may go down in TV history as the most entertaining five minutes ever on the economy. While Cramer later apologized for his tirade, some of his comments—particularly those regarding Alan Greenspan's role in promoting low-rate mortgages—have become what the *Financial Times* recently branded a "new orthodoxy." (Editor's note: Jeffrey M. Cunningham, chairman and CEO of *Directorship*, is on TheStreet.com's board.)

Andrew Ross Sorkin, The New York Times

The daily "Dealbook," *The New York Times*' timely online and print purveyor of the latest buzz in the dealworld, is the bible to the M&A set. Editor Andrew Ross Sorkin has some of the best-placed sources in business journalism: He gets the goods, when other reporters can't. Case in point: When Kohlberg Kravis Roberts & Co. attempted to go public, the *CJR* noted that Sorkin alone had the inside track from founding cousins Henry R. Kravis and George Roberts. He got Carl Icahn to confess that when he first called Steve Ballmer at Microsoft, Ballmer wouldn't take his call. Other *Times* scribes influencing corporate governance: **Gretchen Morgenson**, **Floyd Norris**, and **Joseph Nocera**.

Andrew Tuch and Jim Naughton,
Harvard Law School Corporate Governance Blog

For insight into the latest developments in corporate governance—whether it's a new ruling by a Delaware court judge, a paper that furthers debate on shareholder activism, or myriad other topics—chances are the Harvard Law School Corporate Governance blog, founded by Lucian Bebchuk, will provide commentary and insight. Lawyers are a prolific lot, but the blog's current co-editors, Andrew Tuch and Jim Naughton, oftentimes post their most relevant memos to clients—frequent sources of posts from Harvard's deep pool of alumni and practitioners. In our time-challenged lives, these memos and papers provide informed viewpoints, oftentimes from the very sources who are arguing the cases.

THE ATTORNEYS

The Firm

E. Norman Veasey and Holly Gregory
Weil, Gotshal & Manges

No other law firm in the land can claim the depth of knowledge of the Delaware courts as this perennially top-ranked firm. For 12 years, senior partner E. Norman Veasey served as chief justice of the Delaware Supreme Court. Since he stepped off the court in 2004, he has been a strategic advisor to a prominent group of global clients on issues ranging from mergers and acquisitions, to restructuring and litigation. He focuses on the responsibilities of corporate directors during complex financial transactions and crisis management.

Veasey represented the special transactions committee of the MGM Mirage board of directors in the going-private sale of the Bellagio Hotel and City Center, both owned by MGM Mirage, to Tracinda Corporation and major shareholder Kirk Kerkorian. He also successfully defended the board of directors in a case related to the largest employment discrimination suit filed against Wal-Mart.

For corporate governance, few have the expertise of Ira Millstein (see "Hall of Fame," page 36) protégé, Holly Gregory, a partner who has counseled Comverse Technology, EMC, the Ford Foundation, Nationwide, TIAA-CREF, Tyco Electronics, UnitedHealth, Visteon, and Yahoo. Gregory played a key role in drafting the Organization for Economic Co-Operation and Development (OECD) principles of corporate governance and advised the Internal Market Directorate of the European Commission on corporate governance regulation. Beyond her legal practice and policy efforts, Gregory has helped organize corporate governance-related programs for the SEC, OECD, World Bank, and Yale's Millstein Center for Corporate Governance and Performance.

THE BOARD ADVISORS, RECRUITERS, AND INSURERS

Ram Charan

The globe-trotting Ram Charan rarely sets foot in his Dallas office, where an assistant arranges the hotel pickup and delivery of his business wardrobe. The CEO coach, described by *Fortune* magazine as the most influential consultant alive, is known for his relentless schedule, blue-chip clientele, and soft-spoken, straightforward manner. He has authored or co-authored 16 books, including *The Game-Changer* and *Boards That Deliver*. Charan serves on the boards of Austin Industries, Tyco Electronics, and Emaar MNG.

Frederic W. Cook, Frederic W. Cook & Co.

The founder of the compensation-consulting firm that bears his name, Frederic W. Cook is an ardent opponent of say on pay. What many respect about Cook, however, is that he doesn't just complain about the specter of regulation on CEO comp, he goes to Capitol Hill and argues against it. In a recent *Directorship* article, Cook outlined a non-legislative approach to say on pay. He says he is concerned that say on pay could provide an opening to shareholders who want to muscle in on the corporate agenda and lead to shareholder "plebiscites" on other issues.

George L. Davis, Egon Zehnder

He's one of the few in this category to have come up through the marketing ranks, and that appears to make George Davis well suited to the team approach practiced by Egon Zehnder International. Davis' specialty is viewing board recruiting through a global lens. He formerly served as vice president of the Walt Disney Co. and as marketing director for the Disney Channel. Davis urges companies to begin the recruitment process earlier rather than later. Finding qualified directors with the talent, credentials, and time to serve on a company's board can take 12 to 24 months, he says.

Theodore L. Dysart, Heidrick & Struggles

Renowned recruiter Theodore L. Dysart is responsible for leading and expanding Heidrick & Struggles' board practice on the North and South American continents. Dysart is in charge of senior-level executive search assignments exclusively for boards. He sees potential even in the midst of an economic downturn and increased scrutiny, particularly on public-company CEOs. "There is no time like a tough economy environment to look at the strengths and weaknesses of a company," he said recently. "I think the real key is that we encourage boards and executives to have some frank, honest discussions about a company's philosophy on pay."

Robert Hallagan, Korn/Ferry International

A triple threat for competing recruiters, Robert Hallagan, **Charles King**, and **Steve Mader** of Korn/Ferry International offer corporations an informed and efficient approach to board and CEO recruiting. Hallagan co-founded The Center for Board Leadership, a joint venture between Korn/Ferry and the NACD. He is also on the advisory board for the Council for Institutional Investors. King is a senior client partner of CEO and board services at Korn/Ferry. He has successfully recruited directors for major companies in the United States and has focused on helping boards diversify. Mader believes that recognizing talent isn't enough and that boards need to take a proactive approach to understanding why certain talent is more successful than others.

Pearl Meyer, Steven Hall & Partners

A recognized authority on executive compensation and corporate governance, Pearl Meyer is the co-founder of Steven Hall & Partners, where she serves as senior managing director. She has advised senior management and boards for more than 30 years. On the current imbroglio over executive pay, she takes a firm stance. She says shareholders are using the compensation issue as a power-grab on the boardroom. "This is only the beginning," she says on the topic. Her partner, **Steven Hall**, is managing director and leads the practice among global corporations and in the financial services, real estate, regulated utility, and energy sectors.

Thomas Neff and Julie Hembrock Daum, Spencer Stuart

Named by *BusinessWeek* as one of the world's most influential headhunters in 2008, Spencer Stuart Chairman Thomas Neff believes a track record of success can lead to the ultimate job. A self-proclaimed workaholic, Neff has placed CEOs at Boeing, Morgan Stanley, Merrill Lynch, AT&T, and scores of others. Working with companies ranging in

THE BOARD ADVISORS, RECRUITERS, AND INSURERS

size from *Fortune* 100 to pre-IPO, Julie Hembrock Daum is the board specialist at Spencer Stuart. She has placed some 450 directors. Among recent assignments, she recruited all of the outside directors for the Tyco spin-off companies and Delta Airlines.

Harvey Pitt, Kalorama Partners

Harvey Pitt served as the 26th chairman of the SEC from 2001 to 2003. During that time, he led the SEC in restoring the nation's securities markets to full operations after the terrorist attacks of 9/11. Pitt later instituted real-time enforcement to ensure that the Commission was more effective at enforcing rules and regulations. He now serves as CEO of the global business consulting firm, Kalorama Partners, where he advises senior management and boards on forming and implementing strategy and policy.

Michael Smith, AIG

Thanks to folks like Michael Smith, directors can rest well at night knowing that they are covered in the event of liability. The restructuring of American International Group (AIG), the company whose business is to price risk, resulted in the promotions of John Q. Doyle to president of AIG's Commercial Insurance Group and Michael W. Smith to president of AIG Executive Liability, reporting to Doyle. Smith was formerly president of AIG Financial Lines Claims. He joined AIG in 1996 as division counsel in AIG Executive Liability's Professional Liability division.

David N. Swinford, Pearl Meyer & Partners

Last spring, this 30-year veteran of comp consulting was named CEO of Pearl Meyer & Partners, a national independent compensation consultancy. David N. Swinford joined Pearl Meyer & Partners in 1998 and works closely with boards to tie strategy to compensation and governance practices and develop important performance standards. He previously served as senior managing director and head of Pearl Meyer & Partners' New York office. His colleague, **Jannice L. Koors**, an expert on long-term incentive plans and pay metrics, is now managing director in PM&P's Chicago office.

THE NETWORKERS

Kenneth Daly, National Association of Corporate Directors

Kenneth Daly seeks to help directors up their game, while he looks out for their collective interests. He was named president and CEO of the National Association of Corporate Directors (NACD) last year. He believes that board members need to network and expand beyond their own company and is focusing on the NACD Blue Ribbon Commission on Business Leadership taking place in October. "One thing we should be asking ourselves is whether we are making an effort to instill peer-to-peer experiences for our directors," he says.

Philip A. Armstrong,
Global Corporate Governance Forum

Born and educated in Zimbabwe, Philip A. Armstrong is the head of the Global Corporate Governance Forum. He is an internationally renowned expert on corporate governance and was principle convener and main editor of the 2002 King Report on Corporate Governance for South Africa and headed the team which produced the Commonwealth Guidelines. He consults to leading corporations in the private sector as well as international agencies and bodies such as the Commonwealth Secretariat, Global Corporate Governance Forum—a joint venture involving the World Bank and OECD—and the International Finance Corporation.

John J. Castellani, Business Roundtable

Chances are that John Castellani is representing your business interests in Washington. Since joining Business Roundtable in May 2001, he has been at the forefront of public policy issues ranging from trade expansion, to civil justice reform, to fiscal policy. The Business Roundtable companies comprise nearly a third of the total value of the U.S. stock markets. He has been named by Bloomberg as one of Washington's six most influential lobbyists.

Stephen M. Davis, Yale University's Millstein Center

As project director and lecturer at the Yale University School of

THE NETWORKERS

Management's Millstein Center for Corporate Governance and Performance, Stephen M. Davis is one of the true thinkers in the corporate governance world. Recently he has worked on projects that seek to initiate more communication between corporate boards and shareholders. Davis founded the weekly *Global Proxy Watch* newsletter, now owned by NewsMarkets, and is a member of the board of EOS, the shareowner engagement arm of Hermes Pensions Management, the U.K.'s largest retirement fund.

Thomas J. Donohue, U.S. Chamber of Commerce

The U.S. Chamber of Commerce is one of the largest business associations in the world and Thomas J. Donohue is president and CEO. Since 1997, Donohue established the U.S. Chamber Institute for Legal Reform, which has won significant cases in the courts at both state and federal levels. Through lobbyists, policy experts, and communicators, the Chamber has managed to accomplish tax cuts, workplace and environmental regulations, and increased funding for transportation.

John Engler, National Association of Manufacturers

If, like most directors, you believe in free trade, John Engler is your guy. Since he was named president in 2004 of the National Association of Manufacturers (NAM), the largest industry trade group in America, he has been a strong voice for maintaining U.S. competitiveness in manufacturing. NAM helped establish the Central American Free Trade Agreement (CAFTA) in 2005 and remains active in promoting other trade agreements. Secretary of State Condoleezza Rice appointed Engler to serve on the Advisory Committee on Transformational Diplomacy, which develops new diplomacy approaches to meet the needs of working in a global economy.

Peter Montagnon, Association of British Insurers

International corporate governance expert Peter Montagnon has been director of investment affairs at the Association of British Insurers since October 2000. His responsibilities include representing the policy views of the insurance industry as major investors, with a focus on corporate governance, market development, and regulatory issues. Montagnon is at the forefront of initiatives to promote dialogue between corporate boards and investors as well as working with authorities on legislative issues. He is also chairman of the International Corporate Governance Network.

David W. Smith, Society of Corporate Secretaries and Governance Professionals

Since December 1991, David W. Smith has been president of the Society of Corporate Secretaries and Governance Professionals. The Society regularly promotes the interests of companies and boards in regard to disclosure and reporting. Smith has been an advocate of electronic shareholder communication. His counterpart at the Association of Corporate Counsels, **Frederick J. Krebs**, has been equally effective at looking out for the interests of in-house counsel.

THE PROFESSORS

Stephen Bainbridge, UCLA Law

Stephen Bainbridge is a professor at UCLA Law, where he focuses on corporate law and the economics of public corporations. He has written more than 75 law review articles for leading journals such as the *Harvard Law Review* and the *Virginia Law Review*. His most recent books include *The New Corporate Governance in Theory and Practice* and *Securities Law: Insider Trading*. Bainbridge also writes one of the most widely read legal blogs in academia.

Is There a Doctorate in the House?

Charles Elson, University of Delaware

Students in professor Charles Elson's classes get quite a treat: first-hand cases right from the boardrooms of *Fortune* 500 companies. Elson is a walking tome of corporate know-how, and with a legal and professorial resume that encompasses dozens of colleges and law firms, he might just have amassed more professional titles than anyone else on the D100.

Elson's specialty is corporate governance, so it's only natural that he currently operates out of Delaware—headquarter headquarters—as the director at the John L. Weinberger Center for Corporate Governance at the University of Delaware. Elson has taught at numerous law schools nationwide and has served on various National Association of Corporate Directors commissions. His upright reputation puts him on the short list of many boards working to clean up their image. He currently holds director positions with Autozone and HealthSouth.

Elson's attitudes as a director invariably draw from his experiences as a lawyer and academic. "Boards today must give deference to shareholder views in ways that were unheard of 10 years ago," Elson wrote in an article for *Directorship* last year.

Lucian A. Bebchuk, Harvard Law School

Spearheading the shareholder activist movement, Lucian A. Bebchuk is a professor of law, economics, and finance, and director of the program on corporate governance at Harvard Law School. Bebchuk has devoted much time and effort to convincing companies to adopt Bebchuk's Bylaw, as it is known, which would add restrictions to company bylaws that would redefine how the poison pill defense mechanism is used. His successes include AIG, Time Warner, CVS, Disney, Bristol-Meyers Squibb, and JCPenney.

Dennis R. Beresford, University of Georgia

A leader in setting financial accounting standards for the past decade, Dennis R. Beresford served as chairman of the Financial Accounting Standards Board (FASB) from January 1987 to 1997. Beresford referred to a Dilbert comic strip quote to sum up the main problems in boardrooms today. "What I need is an exact list of the specific, unknown problems we might encounter." He says, "The bottom line is: we need more proactive communication between shareholders and directors." Beresford also sits on the audit committees of Legg Mason and the Federal National Mortgage Association (Fannie Mae).

John C. Coffee, Columbia Law School

Listed by the *National Law Journal* as one of "The 100 Most Influential Lawyers in the United States," John C. Coffee is a professor at Columbia Law School and is a frequent commentator on corporate governance and corporate law. He served as a reporter for the American Bar Association for its model standards on sentencing alternatives and procedures, and for the American Law Institute's Principles of Corporate Governance. In 2008, he co-authored *Cases and Materials on Corporations*.

William W. George, Harvard Business School

Best-selling author William W. George is professor of management practice at Harvard Business School. His book, *True North: Discover Your Authentic Leadership*, made the best-seller list as did his previous book, *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*. George joined Medtronic in 1989 as president and COO. He was elected CEO in 1991 and chairman of the board in 1996. Under his leadership, Medtronic's market capitalization grew from $1.1 billion to $60 billion. He currently serves on the boards of ExxonMobil, Goldman Sachs, and Novartis.

Joseph Grundfest, Stanford Law School

The founder and director of the Directors' College at Stanford University provides an invaluable service by tracking and posting developments on federal class-action securities suits on his high-traffic website. The former SEC commissioner also launched Stanford Law School's executive education program and continues to co-direct the nationally recognized Directors' College. He also co-directs the Arthur and Toni Rembe Rock Center for Corporate Governance, as well as the Stanford Program in Law, Economics, and Business.

Jay W. Lorsch, Harvard Business School

Author of more than a dozen books, Jay W. Lorsch has taught in all of Harvard Business School's educational programs. Lorsch has been the Louis Kirstein Professor of Human Relations since 1978. A director at CA Inc. since 2002, he also serves as a director of Brunswick Corp. and Sandy Corp. Lorsch is enthusiastic about the board leadership workshop he is currently involved in as well as his new book about shareholder power and activism. "An important corporate governance issue today is the whole question of, what is the legitimate role of shareholders in corporate governance? Shareholders want the ability to make an impact," he says.

Jeffrey A. Sonnenfeld, Yale School of Management

Former Harvard Business School professor Jeffrey A. Sonnenfeld is now founder and president of The Chief Executive Leadership Institute, a nonprofit educational and research organization focused on CEO leadership and corporate governance. His writings have earned him critical acclaim and have been published in leading academic journals. He has also authored five books, including *The Hero's Farewell*, an award-winning study of CEO succession, and he sits on the board of TheStreet.com.

THE WATCHDOGS

Gavin Anderson, GovernanceMetrics International

Not long ago, Gavin Anderson predicted that the majority voting movement would be an "unstoppable train" as shareholder discontent with management grew. The chairman of GovernanceMetrics International focuses on portfolio management, securities analysis, corporate law, proxy analysis, investor relations, credit analysis, board evaluation services, and academic research.

Richard Bennett and Nell Minow
The Corporate Library

Hard to believe that it's been 10 years since Robert A. G. Monks and Nell Minow started The Corporate Library to provide investors with proprietary research and analysis on the corporate governance of nearly every publicly traded American corporation. Today, under the direction of CEO Richard Bennett, TCL continues to expand its offerings to include more risk research, moderately priced research reports, and web-based tools such as its now-global Leader-Board, a database of directors. In addition, **Paul Hodgson**, senior research associate, has carved a research niche in CEO pay, each year correlating corporate performance to CEO packages.

Laurence P. Hazell, Standard & Poor's

Director in the Governance Services Group at Standard & Poor's in New York, Laurence Hazell's responsibilities include refining the methodology and criteria to be applied in evaluating the governance practices of issuers for Standard & Poor's Ratings Services. He also worked with Proxy Monitor, a leading proxy advisory firm based in New York, as its senior global analyst.

Robert McCormick, Glass, Lewis & Co.

Glass, Lewis & Co. is an independent proxy adviser where Robert McCormick is chief policy officer. The firm was acquired last year by the Ontario Teachers' Pension Plan's private-equity unit, giving the firm renewed resources, credibility, and a boost to morale. The firm has a large say in how institutional investors vote their shares. This summer it helped, along with other proxy advisors, to tip the scales in favor of a dissident slate at railroad CSX, when it decided to back two of the directors proposed by activist hedge funds.

James P. Melican, Proxy Governance

James P. Melican is chairman of Proxy Governance, a proxy advisory and voting company that offers advice to support the goal of building long-term shareholder value. Rather than looking at issues in isolation, Proxy Governance says it evaluates proxy issues and makes voting recommendations on a case-by-case basis.

The Proxy and Governance People

Martha L. Carter and Patrick McGurn
RiskMetrics Group

The SEC? Massive investors like CalPERS? The organization with the biggest influence on the job of corporate director may just be RiskMetrics Group and its ISS division. Not only is the company the leading provider of corporate-governance ratings that grade boards on a long list of criteria, it also advises large investors on how to vote their proxies. Noted author and humorist (See "Who's on First?" page 55) Pat McGurn serves as executive vice president and special counsel at ISS and often as the public face of the firm. In our view, his articles in *Directorship* alone have had a huge influence on corporate directors, and then there are the other high-profile appearances on just about every radio, web, and television business program under the sun. He is a favorite source for business journalists everywhere for his quick wit, reasoned views, and deep knowledge of the shareholder, director, management triangle. And he is respected by shareholders and boards for his balanced views. Behind the scenes at RiskMetrics, Martha L. Carter heads the design of corporate governance policies, giving her a huge influence on the outcome of proxy contests. Chairman and CEO **Ethan Berman**, who spearheaded RiskMetric's public offering early this year, **Kayla Gillan**, newly appointed chief administrative officer, and many others too numerous to name, deserve mention as well for their contributions to the firm's influence.